



# **UNITED STATES ATTORNEY'S OFFICE DISTRICT OF NEVADA**

## **DISTRICT ACCOMPLISHMENTS 2014**

United States Attorney's Office  
District of Nevada  
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Las Vegas, Nevada 89101  
(702) 388-6336





## From The Desk of U.S. Attorney Daniel G. Bogden

Dear Staff, Friends, Law Enforcement Partners, and Members of the Court Family:

It is my great honor to serve as United States Attorney for the District of Nevada and to have the opportunity to lead such an outstanding group of dedicated public servants. I have found that working as a lawyer in the public sector has provided everything that is important to me. It has allowed me the opportunity to make a difference, to work with law enforcement in keeping us safe, and to be responsible for doing the right thing --- and that is of paramount importance in any career. As many public servants will attest, working for the good of the community and others, and doing the right thing is of paramount concern. I have profound admiration and appreciation for all those who have dedicated their lives and careers to public service.



During 2014, we had many noteworthy accomplishments in all divisions of our office. Many of these accomplishments are highlighted herein to showcase and memorialize them; however, they represent only a fraction of the outstanding work performed by our employees every day to further the mission of our office. These accomplishments are truly something to be proud of, as they represent the conclusion of thousands of hours of work by our employees in the office, at home, and in the courtroom.



I believe that when you work together as a team, you can achieve more. We have been especially fortunate to have so many talented and dedicated individuals working together in our District. I want to express my deep appreciation and congratulations to each of them for their service, commitment and dedication in accomplishing the important work of the Department of Justice. I also want to personally thank our law enforcement and community colleagues, and members of the court family for contributing to these many accomplishments, and we look forward to working with everyone during the next year.

*Daniel G. Bogden*  
*United States Attorney*



## **PERSONNEL AWARDS**

### **Director's Award Recipients**

In September 2014, four Nevada Assistant U.S. Attorneys (AUSAs) were among 243 members of the Department of Justice recognized by Attorney General Eric Holder and the Executive Office for U.S. Attorneys at the 30th annual Director's Awards Ceremony in Washington D.C. First Assistant U.S. Attorney Steven W. Myhre and AUSA James E. Keller were recognized for the prosecution of Rick Young and William Willard, who were convicted of defrauding over 1,400 persons in a foreign currency investment fraud scheme. Young, the leader, was convicted following a three-week trial, which presented unique challenges for the prosecutors due to the volume and complexity of the evidence. The court sentenced Young to 25 years in prison and ordered him to forfeit more than \$16 million. Willard pleaded guilty on the eve of trial, and was sentenced to 15 months in prison and ordered to pay more than \$13 million in restitution.

AUSAs Phillip N. Smith, Jr., and Timothy S. Vasquez were recognized for their prosecution of Nicholas Bickle, an active duty Navy SEAL, and three co-defendants, for possessing and selling machine guns and other weapons. As armorer for his SEAL unit, Bickle smuggled into California more than 30 AK-47-type machine guns, explosives, and multiple pistols previously procured by the United States for Iraqi security forces. Bickle and his co-conspirators transported these weapons from California to Nevada and Colorado, where they sold them to an undercover ATF agent, who had represented plans to transport the guns to Mexico. Bickle was convicted following a three-week trial and was sentenced to 17 years in prison.

### **Additional Director's Award Nominations**

Four AUSAs, 10 investigating agents/officers, and one financial analyst, were also nominated for a Director's Award. AUSA Cristina Silva, HSI Special Agents Esteban Aviles, Steven Sampilo, and David Hardt, LVMPD Detectives Timothy Stovall, Michael Souder and Steve Perry, and Mesquite PD Chief Troy Tanner and Detective Ron Richmond, were nominated for their investigation and prosecution of Harvey Ortega and seven other violent gang members, including the leadership of a drug-trafficking organization identified as "Rebels 13."

AUSAs Sarah E. Griswold, Brian Pugh and Dan D. Hollingsworth, FBI Special Agents Ryan Randall and Sean Jones, and FBI Financial Analyst Dan Marsh, were nominated for their outstanding investigation and prosecution of Steven Grimm, Eve Mazzarella, and 13 co-conspirators in the largest mortgage fraud scheme in Nevada history.

### **William D. Neumann Prosecutor of the Year Award**

AUSA Kimberly M. Frayn was recognized in August by the International Association of Financial Crimes Investigators for her efforts as the primary prosecutor in "Operation Open Market." The award recognizes prosecutors who have made significant contributions to financial fraud prevention.

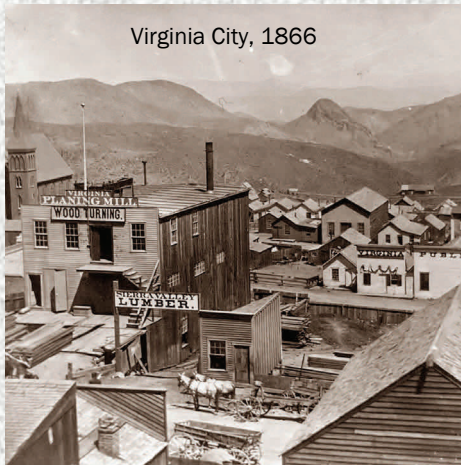
### **J. Michael Bradford Memorial Award For Most Outstanding AUSA**

The National Association of Former United States Attorneys recognized First Assistant U.S. Attorney Steven W. Myhre and AUSA James E. Keller with the Exceptional Service Award for their work in prosecuting Young and Willard for complex securities fraud in the futures market/FOREX.



## "A LOOK BACK IN TIME"

Virginia City, 1866



Nevada City, 1866



### U.S. ATTORNEY'S OFFICE HISTORY POP QUIZ

How many U.S. Attorneys have served in the District of Nevada?

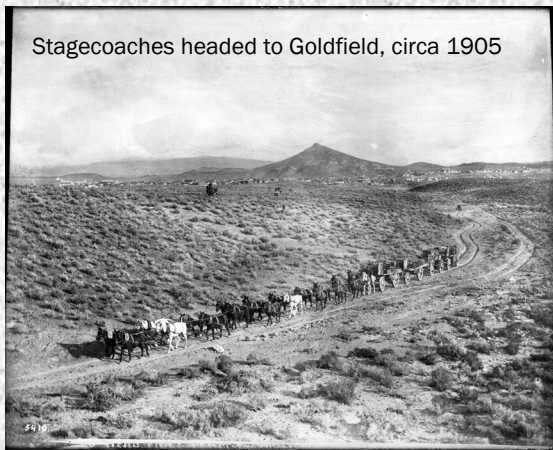
Who was the first U.S. Attorney for the District of Nevada?

Which U.S. Attorney was murdered in office?

Which U.S. Attorney owned a ranch in Reno?

Which Nevada U.S. Attorney also served as Governor for Nevada?

Stagecoaches headed to Goldfield, circa 1905



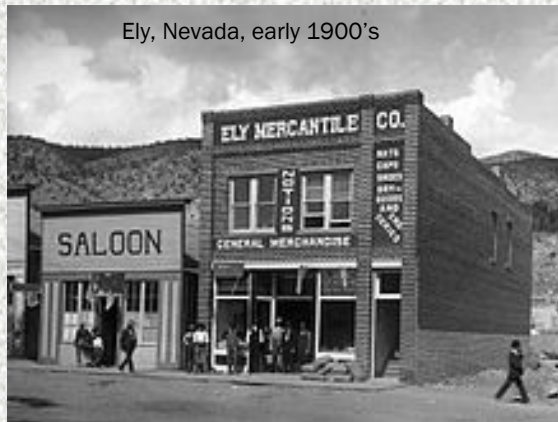
Reno, Nevada, circa 1920's



Fremont Street, Las Vegas, circa 1920



Ely, Nevada, early 1900's

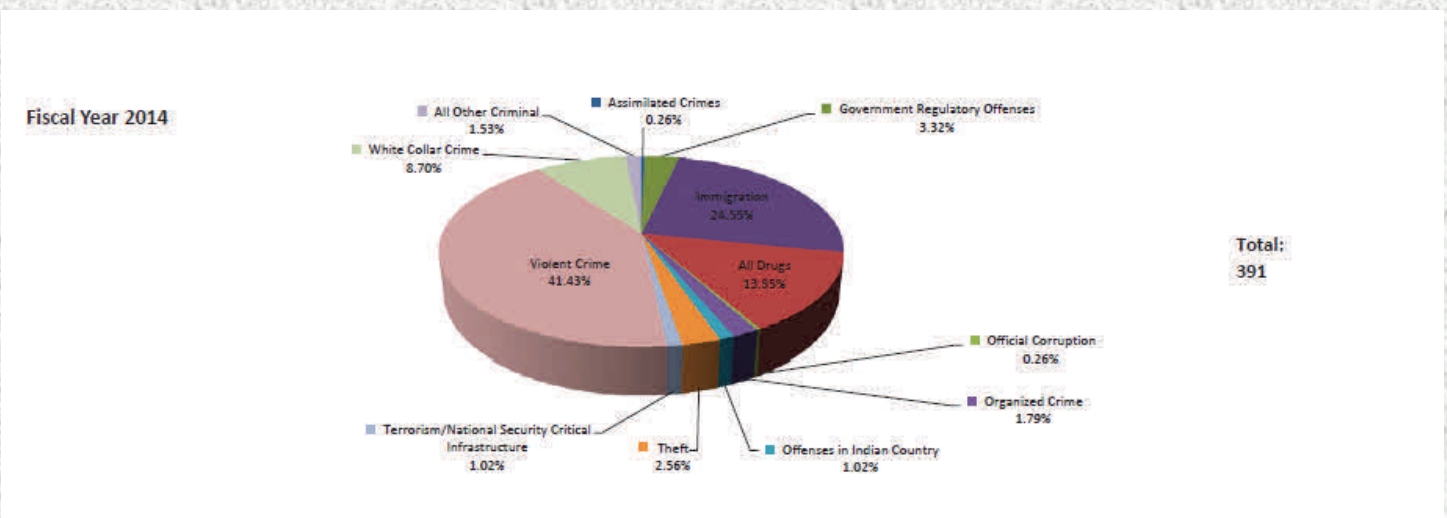




## THE CRIMINAL DIVISION

The Criminal Division is the largest division of our office. Several teams prosecute a variety of crimes, including identity fraud, credit card fraud, tax evasion, child pornography, child sex trafficking, bank robbery, unlawful possession and use of firearms, drug trafficking, health care fraud, public corruption, immigration and environmental crime. In addition to national security, our top three prosecution priorities remain financial crime, violent crime, and public corruption. Our cases are received from a large number of federal agencies which investigate crimes in Nevada, including the FBI, IRS, DEA, Homeland Security Investigations, U.S. Secret Service, U.S. Marshals Service, ATF, BLM, U.S. Forest Service, and Bureau of Indian Affairs. We also receive cases through a variety of federal, state and local task forces, such as the Organized Crime Drug Enforcement Task Force, Joint Terrorism Task Force, Internet Crimes Against Children Task Force, High Intensity Drug Trafficking Area Task Force, Project Safe Childhood Task Force, and Project Safe Neighborhoods Task Force. Some of the Criminal Division's special program initiatives during 2014 included financial fraud, violent crime, prescription drug trafficking, preventing the exploitation of the vulnerable, retail theft, and Native American programs.

In Fiscal Year 2014, 391 criminal cases were filed against 519 defendants. There were 555 defendants convicted by guilty plea or trial, for a conviction rate of 92.5%. Of those, 439 were sentenced to prison, with the largest percentage, 34%, being sentenced to over five years in prison. As reflected in the below graph, approximately 41% of the cases filed during Fiscal Year 2014 were violent crime-related; 25% were immigration-related; 14% were drug cases; 9% were white collar crime, and the rest fell into categories such as theft, government regulatory offenses, organized crime, Indian Country, and official corruption. Twenty-three individual defendants went to trial during calendar year 2014.



### U.S. Attorney's Office History

Thirty-nine U.S. Attorneys have served the District of Nevada since March 11, 1865.



## CRIMINAL CASES OF SIGNIFICANCE

**USA v. Steven Jones et al.** - Steven Jones, who served for almost 20 years as a family court judge in Clark County, pleaded guilty in September 2014 to conspiracy to commit wire fraud for participating in an investment fraud that bilked over 50 investor victims out of millions in cash for almost a decade. Jones was sentenced in February 2015 to 26 months in prison, three years of supervised release, and ordered to pay approximately \$2.9 million in restitution. Jones also resigned his position as judge and surrendered his Nevada law license in September as one of the conditions of his plea agreement. Five co-defendants also pleaded guilty in the scheme, with the leader, Thomas Ceehle, being sentenced to over six years in prison.

**USA v. Joshua Riley et al.** - In September 2014, five defendants were sentenced for their involvement in a conspiracy to manufacture and distribute controlled substance analogues known as spice and bath salts. Joshua Michael Riley was sentenced to 51 months in prison, Nicholas Collado was sentenced to 37 months in prison, Marco Alvarado was sentenced to 30 months in prison, and Alexandra Haardt and Jacob Fisher were each sentenced to one year of home confinement and three years of probation. The defendants distributed the controlled substances online using the brand names "Mad Pineapple," "Tiger Blood," "Mad Max," and "New Ivory Wave." Orders of forfeiture were also entered against all of the defendants requiring them to turn over approximately \$802,000 in bank accounts, \$371,000 in gold and silver bars and coins, \$32,000 in money orders and checks, \$14,700 in jewelry, a Cadillac vehicle, a condominium in Henderson, Nev., and two handguns and ammunition.

**USA v. Michael Hall et al.** - In October 2014, the last of four defendants who were convicted of robbing four convenience stores in Las Vegas on April 6, 2012, was sentenced to prison. Michael Hall was sentenced to just over 16 years in prison for his guilty pleas to four counts of interference with commerce by robbery and one count of brandishing a firearm in furtherance of a crime of violence. Hall was the getaway driver for each of the robberies that occurred in a one-half hour period, causing law enforcement to dub the crimes the "30 minutes or less" series. Hall's co-defendants, Delon Hunter, William Bonaparte, and Erica Bowden-Payne, also pleaded guilty and were sentenced to prison. In each robbery, Hunter pointed a handgun at Bonaparte, who was posing as a customer, and threatened to shoot Bonaparte if the store employee did not turn over money and other items. A Las Vegas Metropolitan Police Department Officer observed the last robbery in progress, and the defendants were captured following a high speed chase.

**USA v. Victor Bruce** - In October 2014, Las Vegas pain management doctor Victor Bruce was sentenced to 46 months in prison for writing prescriptions for oxycodone for persons he did not see or treat. Bruce wrote the prescriptions per a list of names provided to him by a co-conspirator. Bruce also created "dummy" medical records for those persons, to make it appear as if a legitimate patient encounter had taken place. Bruce knew he was writing prescriptions for controlled substances to customers he did not treat and who did not need the prescriptions. Several co-conspirators were also charged in the drug conspiracy.

### Nevada U.S. Attorney Notables - Statehood Through World War II.

Robert M. Clarke served as the first U.S. Attorney for Nevada after statehood, serving from March 11, 1865, to November 5, 1866. Clarke also served as the second Attorney General for the State of Nevada, from 1867 to 1871, and prosecuted the defendants who committed what was known as the "first train robbery on the Pacific Coast," an Overland Express train which was carrying gold from San Francisco to the miners in Virginia City and was held up and robbed near Verdi, a station 10 miles west of Reno.



## CRIMINAL CASES OF SIGNIFICANCE

**USA v. Saul Candelorio Gastellum-Sanchez** - Gastellum-Sanchez was sentenced in October 2014 to 15 years in prison and five years of supervised release for his guilty pleas to conspiracy, methamphetamine distribution, possession of a firearm during and in relation to a drug trafficking crime, unlawful re-entry of a deported alien, and money laundering. In June 2013, over two kilograms of methamphetamine, an AK-47 assault rifle and two semi-automatic handguns were recovered from his residence in Las Vegas. At the time, Gastellum-Sanchez was residing unlawfully in the United States and had been previously deported in January 2008. Five co-defendants also pleaded guilty and were sentenced to prison.

**USA v. James Zipf** - Zipf was sentenced in September 2014 to two years in prison for aiming a laser pointer at a police department helicopter. On Jan. 30, 2014, Zipf aimed a blue laser four times at the police helicopter from the second story window of his residence. On Feb. 3, 2014, he again pointed the blue laser two times at a police helicopter, causing one of the flight officers to experience a severe headache. In 2011, Zipf was convicted in Phoenix, Ariz. of pointing a similar blue laser at a police helicopter. In 2012, it became a federal felony offense to knowingly target an aircraft with a laser.

**USA v. Charles Horky et al.** - Horky, the owner of a Las Vegas limousine company, pleaded guilty in December 2014 to conspiracy to conduct or participate in an enterprise engaged in racketeering, and was sentenced in April 2015 to 46 months in prison and ordered to forfeit \$5.2 million. Horky and seven co-defendants, including the limo company's office manager, accountant, limo drivers, and drug suppliers, used the limousine service to sell controlled substances, facilitate prostitution, and to commit credit card fraud, bank fraud and check-kiting. Horky encouraged and directed the criminal activity, and required drivers to pay him a cut of the money they were receiving from the criminal activities. Horky and two co-defendants also defrauded American Express of more than \$2.8 million by placing fraudulent unauthorized transactions on the American Express accounts of CLS customers. Most of the co-defendants also pleaded guilty.

**USA v. Emmanouil "Manny" Varagiannis** - Varagiannis, the former operator of a well-known Las Vegas adult entertainment club and escort service business, pleaded guilty in April 2014 to tax evasion. He was sentenced in January 2015 to 15 months in prison, and ordered to pay \$230,651 in restitution and to forfeit two homes. Between 2009 and 2012, Varagiannis made 182 structured bank deposits totaling approximately \$1.5 million and used the funds to purchase two separate homes for cash. Varagiannis also failed to declare federal taxes he owed for the years 2009 through 2011, totaling \$230,651, and willfully took affirmative steps to evade or defeat payment of the taxes.

**USA v. Kent Swaine** - Swaine, a former Las Vegas doctor, pleaded guilty in December 2014 to obtaining controlled substances by fraud, and was sentenced in June 2015 to five years of probation. Swaine was fraudulently writing and filling prescriptions for Hydromorphone in the name of a deceased patient for the purpose of his own drug addiction.

### Nevada U.S. Attorney Notables - Statehood Through World War II.

Charles A. Jones served as U.S. Attorney for Nevada from February 20, 1894, to November 15, 1897, when he was shot by 16-year-old Julian Guinan out of revenge for an alleged wrong to Guinan's sister. Jones died soon after the shooting and, a couple of hours thereafter, Guinan surrendered to the local Sheriff.



## CRIMINAL CASES OF SIGNIFICANCE

**USA v. Michael Stanley Kaplan** - Kaplan, a Las Vegas urologist, was convicted by a jury in September 2014 of conspiracy to commit adulteration for re-using single use needle guides during prostate procedures. Kaplan was sentenced in May 2015 to four years in prison. The packaging on each needle guide clearly warned that they should not be used more than once, but Dr. Kaplan instructed his staff and permitted his staff to re-use them three to five times prior to disposal. Between about Dec. 15, 2010, and March 11, 2011, Dr. Kaplan performed approximately 120 procedures requiring a needle guide, but used less than 10 guides during that period.

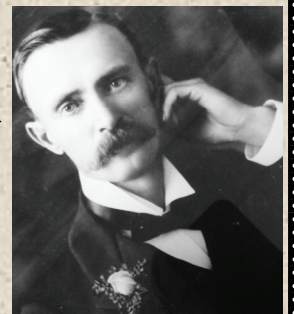
**USA v. Lawrence Semenza** - Semenza, a Las Vegas lawyer who served as the U.S. Attorney for Nevada during the 1970's, pleaded guilty in August 2014 to three misdemeanor counts of willful failure to file a tax return. Semenza was sentenced in January 2015 to 18 months in prison and ordered to pay approximately \$290,000 in restitution. Semenza operated his law practice as a subchapter C personal service corporation. For the years 2006 through 2010, Semenza individually had taxable income of approximately \$655,000, and the corporation had taxable income of approximately \$345,000, but Semenza failed to file individual or corporate income tax returns for those years, and failed to pay the tax due and owing to the IRS, totaling about \$290,000.

**USA v. Derrick and Cynthia Phelps** - A Texas couple who previously owned two mortgage service businesses in Henderson, Nevada, were sentenced to prison in December 2014 for their roles in a mortgage fraud scheme that involved the fraudulent purchase of over 230 homes and caused over \$30 million in loss to federally insured financial institutions. Derrick Phelps, former owner of Investors Realty and Enterprise Mortgage Services, was sentenced to 70 months in prison, and his wife, Cynthia Phelps, was sentenced to four years in prison. Both defendants were also ordered to serve five years of supervised release and to pay approximately \$31 million in restitution. Three co-defendants are pending trial.

**USA v. Makyl Haggerty, David Ray Camez, and Michael Lofton** - Haggerty, Camez, and Lofton were members of the Carder.su organization, a criminal enterprise whose members trafficked in compromised personal identity information, committed money laundering and drug trafficking offenses, and engaged in various types of computer crime. Over 30 individuals have been convicted for being part of the organization and schemes. Haggerty, who was a vendor of counterfeit documents on the organization's websites, pleaded guilty to a racketeering offense and was sentenced in August 2014 to 100 months in prison. Camez, who purchased and manufactured counterfeit driver's licenses, was convicted by a jury of RICO charges and sentenced in May 2014 to 20 years in prison. Lofton pleaded guilty to RICO and identity theft charges and was sentenced in May 2014 to about seven years in prison. Lofton committed the aggravated identity theft crime while he was residing in a halfway house in Las Vegas awaiting trial. All three defendants were also ordered to pay approximately \$50.5 million in restitution.

### Nevada U.S. Attorney Notables - Statehood Through World War II.

Sardis Summerfield was a Nevada state senator when his predecessor, Charles Jones was murdered. Appointed U.S. Attorney for Nevada in 1897 by President McKinley, Summerfield was re-appointed by President Teddy Roosevelt in 1901, and served as U.S. Attorney until January 27, 1906. Summerfield also owned a 1,200 acre ranch in the Reno area which produced hay, grain and fruit.





## CRIMINAL CASES OF SIGNIFICANCE

**USA v. Vinay Bararia** - Former Las Vegas physician Vinay Bararia, was sentenced in September 2014 to 44 months in prison and three years of supervised release for unlawfully selling thousands of hydrocodone and oxycodone pills, including to an undercover DEA agent in the parking lot of the hospital where he worked. Over 2,038 oxycodone pills were recovered from Bararia's vehicle when was arrested in the hospital parking lot. The Court also ordered Bararia to forfeit \$50,000 in cash and the 2007 Jaguar vehicle that he used to distribute the drugs.

**USA v. Henry Alberto Batista** - In August 2014, Batista was sentenced to six months in prison, six months of home confinement, and three years of supervised release for falsifying vehicle emission test results for over 1,000 vehicles. In 2009, while Batista was working for a licensed emissions testing company in Las Vegas, he knowingly made false material statements, representations, or certifications in approximately 1600 records. Batista falsified emissions certificates for vehicles that could not pass the emissions tests by using substitute vehicles that would pass the test or by using a computer programmed emulator to deceive the emissions analyzer into accepting data for the vehicle that could not pass the test. Batista's brother, Luis Batista, also worked as a vehicle emissions inspector and pleaded guilty to making a false statement to a government agency for falsifying emissions certificates, and served seven months in prison.

**USA v. Reynaldo Staana** - In May 2014, Staana was sentenced to five years in prison, three years of supervised release, and ordered to pay nearly \$1.7 million in restitution for attempting to destroy a Las Vegas beauty supply store by fire and explosive devices. Staana was an assistant manager at the store, but had been terminated from his position in August 2013.

**USA v. Carmen Mosley** - Mosley, a certified public accountant, was sentenced in August 2014 to 57 months in prison and ordered to pay approximately \$1.1 million in restitution for her guilty plea to conspiracy to commit bank and wire fraud and two counts of bank fraud. Mosley and a loan officer, Zulfiya Karimova, conspired to obtain fraudulent mortgage loans from financial institutions by causing materially false information to be placed in the buyers' mortgage loan applications. Using this scheme, they caused the lenders to fund the purchase of three homes in the Las Vegas area during 2006 and 2007. The buyers defaulted on the loans, and the lenders lost more than \$1 million. Karimova also pleaded guilty and was sentenced to one month in prison and ordered to pay \$1.1 million in restitution.

### Nevada U.S. Attorney Notables - Statehood Through World War II.

E.P. Carville served as U.S. Attorney for Nevada from August 3, 1934, to August 6, 1939. Carville was one of the most noted and ambitious former Nevada U.S. Attorneys. After resigning as U.S. Attorney, Carville ran for governor of Nevada and won. While governor, Carville retired the state debt and left office with the state treasury showing a surplus of \$1.5 million. In 1945, Carville was selected to fill an unexpired term in the U.S. Senate, and several years later, he received a Presidential medal for his work in establishing draft boards in Nevada during his term as governor.





## CRIMINAL CASES OF SIGNIFICANCE

**USA v. Seagram Miller and Ray Webb** - Miller was sentenced in May 2014 to eight years in prison and 10 years of supervised release for inducing and enticing two minor girls to travel from Oakland, Calif., to Las Vegas to work as prostitutes during 2013. One of the victims was only 12 years old at the time. Miller's co-defendant, Ray Darnell Webb, 20, also pleaded guilty to one count of coercion and enticement, and was sentenced in April to eight years in prison. Both men will also have to register as sex offenders.

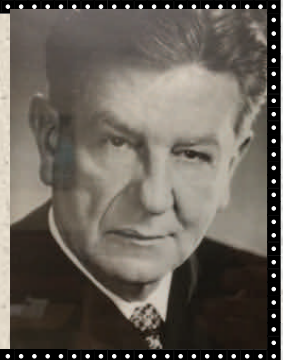
**USA v. Iqbal Singh-Sidhu** - In June 2014, Singh-Sidhu was sentenced to nine years in prison for distributing synthetic cannabinoids out of his convenience store business in Reno, and for storing large quantities of the substance for distribution at his home. Singh-Sidhu was convicted by a jury in February 2014 of 16 counts of possession with the intent to distribute and distribution of controlled substances and controlled substance analogues intended for human consumption, and one count of maintaining a drug-involved premise. It was the first federal jury trial of its kind in Nevada involving synthetic cannabinoids, commonly referred to as "spice."

**USA v. Marcus Henderson** - Henderson was sentenced in May 2014 to 19 years in prison for his guilty pleas to production and transportation of child pornography. Henderson used a tiny, hidden video recorder to make over 200 sexually explicit video tape recordings of two female victims who were taking showers and using the restroom in his Carson City home. Henderson admitted that he created the videos to distribute them to internet users in exchange for something of value, and in fact, Henderson traveled from Nevada to South Dakota and distributed or transmitted via email some of the videos he produced. Investigators also recovered 1200 additional images and 10 videos of child pornography from computers and digital devices Henderson used.

**USA v. Jabari Marshall** - In April 2014, Marshall was sentenced to 20 years in prison and ordered to pay approximately \$250,000 in restitution and to forfeit up to \$6.1 million in assets. Marshall was convicted by a jury in September 2013 of conspiracy and fraud for his role in a scheme involving \$35 million in fraudulent mortgage loans. Marshall was one of 10 defendants charged in the fraud scheme, in which 30 homes were fraudulently purchased and the lenders lost approximately \$15 million. The other conspirators included loan officers, real estate agents, an escrow assistant, an accountant, and an individual who provided false verifications of rent. All nine co-conspirators were convicted and have been sentenced. Marshall had a lengthy criminal history, including two prior federal convictions in Nevada for bank fraud/check fraud type crimes and was on federal supervised release when he committed this crime.

### Nevada U.S. Attorney Notables - Pre-Statehood Through World War II.

Thomas O. Craven served as U.S. Attorney for Nevada from March 2, 1942, to March 16, 1945. Craven was recommended to the position by notable U.S. Senator Patrick McCarran. Craven later served as a state court judge in Washoe County and a U.S. Magistrate Judge in Reno.





## IN THE NEWS.....

## THE WALL STREET JOURNAL. Mob-Busting Tool Used Against Online Crime

Prosecutors Apply RICO Act to Pursue Loose Affiliations of Alleged Credit-Card Thieves



A courtroom sketch of David Camez, right, during the trial late last year in which he was convicted. DAVID STROUD/LAS VEGAS REVIEW-JOURNAL

By ANDREW GROSSMAN

Updated July 8, 2014 7:53 p.m. ET

Federal prosecutors are using mob-busting tactics to catch and disrupt online crooks, applying a law written to dismantle Mafia families to pursue loose affiliations of thieves scattered around the world.

"The new face of organized crime—and particularly international organized crime—is largely cyber-based," said James Trusty, the head of the Justice Department's organized-crime and gang section. "The groups are emerging as very hierarchical, very secure and very profitable criminal enterprises. And they may straddle nationalities in ways that you never would have imagined."

In some cases, people from different countries, including the U.S., Russia and Pakistan, come together on message boards to buy and sell stolen credit-card numbers, fake IDs and software like the kind that hackers used to steal millions of credit-card numbers from Target Corp.

Late last year, the Justice Department won its first conviction of a member of Carder.su, which was shut down in 2012. David Camez, a 22-year-old from Arizona, was accused of having bought counterfeit IDs, credit cards and gift cards on the site. He was convicted of participating in a corrupt organization.

The prosecution's case was aided by another long-standing mob-world tactic: infiltration. After police in Henderson, Nev., arrested a man trying to use counterfeit credit cards at a Whole Foods, he agreed to cooperate with the Secret Service, according to court testimony by the agent involved. The agent took over his online persona, Celtic, and used it to establish a business selling fake IDs on Carder.su while collecting information on its users and structure.

Prosecutors in Las Vegas eventually indicted 39 administrators, vendors and users on RICO charges, saying the site was a criminal organization with a hierarchy, common purpose and membership rules.

Court papers, testimony and interviews with officials paint a picture of Carder.su as a full-service illicit marketplace where someone could buy fake IDs, credit cards and other stolen products. Credit-card companies have said losses resulting from the site have totaled more than \$50 million.

Sitting atop Carder.su, prosecutors say, was a Russian administrator, Roman Zolotarev, whom they portray as a mob boss deciding who could buy and sell on the website, appointing moderators and meting out punishments, such as bans from the site, for bad behavior.

## Georgia man goes to prison in \$50 million online fraud case

By Mary Kay Mallonee, CNN Justice Producer  
Updated 3:16 PM ET, Thu November 13, 2014

### Story highlights

Cameron Harrison pleaded guilty to possessing 260 credit and debit card numbers

Harrison: Carder.su committed money laundering, narcotics trafficking, computer crimes

Harrison was caught when he went online to buy counterfeit ID

A Georgia man is heading to prison for nearly 10 years for his role in a credit card fraud gang associated with a website called Carder.su that is linked to \$50 million in worldwide losses.

Cameron Harrison, aka "Kilobit," 28, of Augusta, Georgia, pleaded guilty to possessing more than 260 compromised credit and debit card numbers, which were recovered from his computer and email accounts following his arrest.

He also admitted, according to the Department of Justice, that the Carder.su organization committed money laundering, narcotics trafficking and computer crimes. He said members tried to avoid detection by communicating through

various encrypted forums, such as chat rooms, private messaging systems and virtual private networks.

Harrison was identified when he purchased a counterfeit Georgia driver's license from an undercover special agent through the Carder.su network. During interactions with the undercover special agent, Harrison admitted he had been a vendor of counterfeit identifications in the defunct cyberfraud organization "ShadowCrew."

Fifty-five individuals were charged in four separate indictments in Operation Open Market, run by Homeland Security Investigations and the U.S. Secret Service. To date, 26 individuals have been convicted and the rest are either fugitives or are awaiting trial.

Harrison pleaded guilty to participating in a racketeer influenced corrupt organization, conspiracy to engage in a racketeer influenced and corrupt organization, and trafficking in and production of false identification documents.

"This significant sentence is entirely fitting given that this defendant's actions and those of the larger criminal organization harmed countless innocent Americans and seriously compromised our financial system," said Homeland Security Investigations Executive Associate Director Peter T. Edge. "Criminals like this defendant who believe they can elude detection by hiding behind their computer screens here and overseas are discovering that cyberspace affords no refuge from American justice."

Posted August 22, 2014 - 5:17pm

## Man gets federal prison in ID theft case

By WESLEY JUHL  
LAS VEGAS REVIEW-JOURNAL

A Northern California man was sentenced Thursday to serve 100 months in a federal prison for his part in the identity theft and credit card fraud ring known as "Carder.su."

Makyl Haggerty, also known as "Wave" and "G5," must also pay \$50.5 million in restitution, according to a release from the U.S. attorney's office.

Carder.su members trafficked in compromised credit card account data and counterfeit identifications, and committed money laundering, drug trafficking and various computer crimes.

Haggerty pleaded guilty in February to one count of participating in a racketeer influenced corrupt organization.

He worked as a vendor on the organization's websites and sold about 1,000 counterfeit identification documents and counterfeit credit cards to other Carder.su members. The 24-year-old Oakland resident made and sold counterfeit driver's licenses for at least 15 states and British Columbia.

Fifty-six people were charged in four indictments in Operation Open Market, which targeted the Carder.su organization. So far 25 people have been convicted. The rest are either fugitives or awaiting trial.



## IN THE NEWS.....

Posted September 16, 2014 - 3:33pm Updated September 16, 2014 - 6:02pm

### Doctor gets 44-month prison term in prescription drug case

By JEFF GERMAN  
LAS VEGAS REVIEW-JOURNAL

Las Vegas doctor Vinay Bararia was sentenced to 44 months in federal prison Tuesday stemming from his conviction for unlawfully selling prescription painkillers.

U.S. District Judge Jennifer Dorsey also placed Bararia on three years of supervised release after prison and ordered him to forfeit nearly \$50,000 and a 2007 Jaguar.

A tearful Bararia, his voice breaking as he addressed Dorsey in chains and jail garb, apologized to the judge and his family for his conduct, saying, "I've lost everything."

Bararia, 43, was caught in a 2012 undercover sting by federal drug agents in a hospital parking lot. He pleaded guilty in December to one count of distributing a controlled substance.

Defense lawyers Kathleen Bliss and Thomas Mesereau Jr. sought a lighter sentence for Bararia, arguing he suffers from bipolar disorder and was not thinking clearly when the drug dealing took place.

But Assistant U.S. Attorney Susan Cushman said Bararia was "focused" and "rational" during his dealings with undercover agents and did not have a diminished mental capacity at the time.

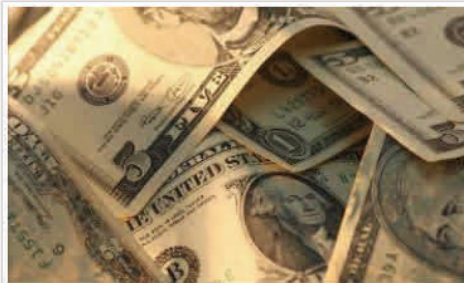
"This is something he clearly planned to carry out," said Cushman, who had asked for a 70-month prison sentence.



### US Attorney in Nevada Collects \$11M in Penalties

By: APEmail

Posted: Thu 12:22 PM, Nov 20, 2014



MGN Online

LAS VEGAS (AP) - The U.S. Attorney's Office in Nevada says it's collected almost \$11 million this fiscal year in fines and penalties.

U.S. Attorney Daniel Bogden says the collections included nearly \$5 million from criminal cases, \$1 million from civil cases and \$5 million in private property forfeited to the government.

Bogden says the \$11 million is well above the amount the government pays to run the Nevada office each year.

Fines collected by the U.S. Attorney's Office go to the Crime Victims' Fund, which offers compensation and assistance to victims.

Bogden's announcement came the same day that Attorney General Eric Holder announced the Justice Department overall collected \$25 billion in civil and criminal cases during the fiscal year that ended Sept. 30.



## IN THE NEWS.....

### Man gets federal prison time in laser pointer case

By JEFF GERMAN LAS VEGAS REVIEW-JOURNAL

September 23, 2014 - 10:22am

A Henderson man was sentenced to two years in federal prison Tuesday for pointing a powerful laser at Las Vegas police helicopters earlier this year.

James Zipf, 30, also was ordered to serve three years of supervised release and undergo substance abuse and mental health treatment after prison.

U.S. District Judge Miranda Du described Zipf's conduct as "extremely serious" and said she hoped the prison time would deter others from doing what he did.

Federal prosecutors pushed for the two years [behind bars](#).

Zipf apologized to the Metropolitan Police Department and said he felt "terrible" for putting the lives of those aboard the helicopters in jeopardy.

He told Du he was a methamphetamine addict for 11 years but has been "clean" for seven months and is thinking much clearer now.

Zipf, who is free on his own recognizance, must surrender to federal prison authorities on Dec. 30.

He pleaded guilty in June to one of six felony counts of aiming a laser pointer at an aircraft. The other five counts will be dismissed as part of his plea agreement with federal prosecutors.

Zipf was indicted by a federal grand jury in February in a half-dozen laser strikes between Jan. 31 and Feb. 12.

Prosecutors said Zipf endangered those aboard the aircraft. In one attack the pilot became so disoriented that he had to land and end his shift.

Zipf, who moved to Henderson from Phoenix last year, [was convicted in 2011 for pointing a similar blue laser at police helicopters there](#).

The Las Vegas charges are part of a federal law enacted by Congress in 2012 and come amid a national campaign by the FBI to curb the rising number of laser strikes on aircraft.

Since 2010, the Federal Aviation Administration has ranked Las Vegas among the top 10 American cities where pilots are reporting laser strikes. There were 94 reports in 2013, ranking Las Vegas sixth.



### Australian pleads guilty in federal biodiesel case

By ANNALISE LITTLE LAS VEGAS REVIEW-JOURNAL

July 22, 2014 - 6:48pm

An Australian man pleaded guilty to five felonies in federal court in Las Vegas on Tuesday in a biodiesel fuel scheme that earned more than \$41 million, according to the Department of Justice.

Nathan Stoliar was arrested after an investigation was conducted by the Environmental Protection Agency, the FBI, Secret Service, IRS and Department of Homeland Security.

In January, two men were charged in a 57-count indictment that included conspiracy, wire fraud, obstruction of justice, conspiracy to launder money and making false statements under the Clean Air Act, according to the Department of Justice.

Stoliar told the court that starting in 2009, he and co-defendant James Jariv operated a company that advertised the production of biodiesel from "feedstocks" such as animal fat and vegetable oil. This allowed them to earn money under the Energy Independence and Security Act of 2007, which offers monetary incentives for renewable fuels. The men reported biodiesel sales from that company that were untrue, the justice department said.

Among other accusations, the indictment said the businessmen bought more than 23 million gallons of non-certified biodiesel and claimed it was one kind when it was actually another. This allowed them to sell it for up to \$2.30 more per gallon.

In all, their crimes earned more than \$41 million, including \$7 million that Stoliar earned personally, according to the DOJ.



## IN THE NEWS.....

Posted February 25, 2015 - 4:56pm | Updated February 25, 2015 - 7:32pm

### Former judge sentenced to 26 months in prison



By CARRI GEER THEVENOT  
LAS VEGAS REVIEW-JOURNAL

Steven Jones, who spent two decades on the Clark County Family Court bench before resigning in disgrace, soon will serve time in federal prison.

The former judge received a 26-month sentence Wednesday for his participation in a \$2.9 million investment scheme while on the bench. He has until May 25 to surrender.

### Nevada U.S. Attorney sees rise in number of lawyers prosecuted

By JEFF GERMAN LAS VEGAS REVIEW-JOURNAL

June 7, 2014 - 10:06pm

Prosecutors have noticed an “alarming” number of lawyers convicted of serious crimes in federal court in the past several years.

A total of 23 lawyers, mostly from Las Vegas, have been convicted since 2008, according to the Nevada U.S. attorney’s office.

Since 2011, the number of convictions have increased nearly five times over the previous three years, records show. There were four convictions between 2008 and 2010, but 19 between 2011 and this year. Eight attorneys either pleaded guilty or were convicted by a jury in 2013 alone.

“In the last several years, the number of lawyers charged with federal crimes has increased dramatically,” U.S. Attorney Daniel Bogden says. “Although we cannot speculate as to the reason for the rise in numbers, we can say that it is embarrassing and sad when lawyers violate the very laws they have taken an oath to uphold.”

Bogden calls the growing rate of attorney prosecutions “alarming” in his 2013 annual report on the accomplishments of his office.



## IN THE NEWS.....

THE WALL STREET JOURNAL  
WSJ.com

June 9, 2014, 2:35 PM ET

## Convictions of Lawyers on the Rise in Nevada

By Jennifer Smith



Daniel Bogden, U.S. Attorney for the District of Nevada, at a 2013 news conference announcing terrorism charges against a Reno man.

Associated Press

Something is rotten in the state of Nevada.

According to the U.S. Attorney's office there, the number of Nevada attorneys convicted of serious federal crimes is on the rise.

"There's been a significant uptick," David Clark, chief counsel for the State Bar of Nevada, told the [Las Vegas Review-Journal](#). "It's a combination of economic realities and the increased vigilance on the part of federal prosecutors to go after lawyers."

Mind you, the overall total is not huge. Between 2008 and 2014, 23 lawyers—"mostly from Las Vegas"—were convicted, most for financial crimes such as tax evasion and bank or mortgage fraud, the Review-Journal reported.

By contrast the State Bar of Nevada has about 8,600 active members, per its [annual report](#). That's a bad apple rate of less than .3% (if you assume, unscientifically, that the convicted lawyers were at one point members in good standing of the state bar, and peg the membership at 8,000 to correct for increases in overall membership in recent years).

## Former U.S. Attorney sentenced to 18 months in prison

Posted: Jan 14, 2015 11:58 AM PST  
Updated: Jan 14, 2015 5:06 PM PST

By Caroline Bleakley, Senior Online Editor [CONNECT](#)

**LAS VEGAS** -- A former U.S. Attorney for Nevada was sentenced Wednesday to 18 months in prison for failing to file tax returns over a period of years.

Lawrence "Larry" Semenza, who was the U.S. Attorney for Nevada during the 1970s, was sentenced by U.S. District Court Judge James C. Mahan. Semenza was also given one year of supervised release and ordered to pay approximately \$290,000 in restitution to the Internal Revenue Service.

"It is especially egregious that a former federal prosecutor should try to skirt his own tax obligations," said John Collins, Special Agent in Charge of IRS Criminal Investigation for Nevada.

The U.S. Attorney's Office in Nevada said the case proves no one, regardless of former position, is above the law. George Kelesis, who serves as Semenza's attorney, said the sentence was fair given the circumstances.

[Semenza, 72, pleaded guilty in August 2014](#) to three misdemeanor counts of willful failure to file a tax returns.

Semenza must report to federal prison by April 17, 2015.

Posted July 15, 2014 - 1:40pm Updated July 15, 2014 - 4:42pm

## Las Vegas lawyer gets prison time in money laundering scheme

By JEFF GERMAN  
LAS VEGAS REVIEW-JOURNAL

Despite an emotional plea for leniency, veteran Las Vegas lawyer R. Christopher Reade was sentenced to 366 days in federal prison Tuesday in a \$2.3 million money laundering scheme involving one of his former clients.

The client, Richard Young, 54, of Montana, was given a 25-year prison term in December 2011 in a separate \$16 million investment fraud scheme.

Senior U.S. District Judge Kent Dawson on Tuesday also fined Reade \$40,000 and ordered him to serve three years of supervised release after prison. Reade has until Oct. 17 to surrender to federal prison authorities.

Reade, 43, a longtime civil attorney, [pleaded guilty in January](#) to one count of accessory after the fact to laundering of monetary instruments.

"I was given a great life," Reade told Dawson in a courtroom packed with his friends, family and former clients. "I built upon that great life, and now I have left it in rubble."

Reade, his voice cracking at times, said he was heartbroken over the "humiliation and devastation" his actions have caused his family and other supporters.

"There are no amount of good deeds I can do that will repair the scar I have left on this life," he said.

Reade said he also was remorseful for the harm he caused the legal profession he one day hopes to be a part of again. He agreed to a temporary suspension of his license earlier this year and is awaiting further discipline from the State Bar of Nevada.





# GANG VIOLENCE



## IN THE NEWS.....

Posted January 21, 2014 - 3:44pm | Updated January 21, 2014 - 4:34pm

### 2 California men plead guilty in Las Vegas sex trafficking case



By JEFF GERMAN  
LAS VEGAS REVIEW-JOURNAL

Two California men pleaded guilty Tuesday to sex trafficking crimes for enticing two teenage girls to come to Las Vegas from Oakland to work as prostitutes in 2013.

Ray Darnell Webb, 19, and Seagram Joshua Miller, 21, both pleaded guilty to one felony count of coercion and enticement and are to be sentenced on April 29.

They face up to 20 years in prison and a \$250,000 fine and will have to register as sex offenders.

The girls were 12 and 16.

"We must work together as a community to prevent children from getting involved with sex trafficking," Nevada U.S. Attorney Daniel Bogden said. "The pimps who scour the streets, schools, and online communities preying on boys and girls are predators and we will work with our local, state and federal law enforcement partners to ensure that they are prosecuted."

According to their plea agreements, Webb and Miller in early 2013 met the 12-year-old girl in Oakland, where she was working as a prostitute and persuaded her to work for them. Later, Miller met the 16-year-old girl on Facebook and employed her as a prostitute.

Eventually, the defendants and the two teenagers traveled to Las Vegas to earn money in prostitution and caught the eye of investigators, prosecutors alleged.

### 3 arrested in \$700,000 North Las Vegas jewelry store heist



Published: 3:31 pm

Updated: 3:46 pm

**LAS VEGAS** – Three North Las Vegas men have been charged with robbing a Las Vegas jewelry store of approximately \$700,000 in merchandise.

Theren Phillip Frazier, 27, Phillip Allerson Vaughn, 25, and Eric Jamar Goodall, 29, are charged with one count of interference with commerce by robbery. They made an initial court appearance Thursday before U.S. Magistrate Judge Cam Ferenbach. Frazier and Vaughn were detained pending a preliminary hearing. Goodall was temporarily detained pending a hearing Monday. If convicted, they face up to 20 years in prison and a \$250,000 fine.

The office of U.S. Attorney Daniel G. Bogden for the District of Nevada announced the arrests in a news release.

"Our U.S. attorney's office has made the prosecution of violent retail robbery and theft cases a priority," Bogden stated in the release. "We have been working with our local police departments and federal partners to identify these violent crime cases with interstate nexus for federal prosecutions. The persons committing these crimes are typically repeat offenders who are unlawfully carrying and using firearms in furtherance of their crimes and are violating federal laws."



## PROGRAM DEVELOPMENTS & HIGHLIGHTS

**Financial Fraud** - The investigation and prosecution of financial crimes is currently a top priority of the District. According to the FTC's year-end fraud report for 2014, Nevada was ranked 3rd in the nation for consumer fraud complaints and ranked 8th in the nation for identity theft complaints. Additionally, the Las Vegas area was ranked 9th in the nation for fraud complaints per capita.



In Fiscal Year 2014, 25 individuals were charged and 66 individuals were convicted of federal financial fraud crimes in Nevada, such as bank fraud, investment fraud, federal program fraud, bankruptcy fraud, corporate fraud and mortgage fraud. More than half of the individuals were sentenced to over two years in prison, and 15 individuals were sentenced to over five years in prison. In Fiscal Year 2014, the District of Nevada opened 40 new financial fraud investigations. In Fiscal Year 2014, an additional 9 individuals were charged and 25 individuals were convicted of federal identity fraud and identity theft crimes in Nevada. Twenty-two individuals were sentenced to a period of imprisonment, and 11 individuals were sentenced to over three years in prison. In Fiscal Year 2014, the District of Nevada opened 4 new identity fraud and theft investigations.

Examples of some financial fraud cases filed in 2014 - In two separate cases involving advance fee schemes, eight individuals were charged with fraudulently taking fees from small business owners who thought they were going to receive loans or grants for their businesses. The defendants allegedly made false statements and promises to the victims to make it appear that they were likely to receive the loans or a grant. The loans or grants did not materialize and the defendants used the proceeds from the scheme to enrich themselves. In October, two men were charged with conspiracy and fraud for engaging in a scheme to misappropriate \$34 million from two Florida-based hedge funds during 2008 to 2010. The defendants allegedly misrepresented how they would use the investors' funds, and then looted and bankrupted the hedge funds by taking payments on false and fictitious profits and taking improper and undisclosed loans.

**Mortgage Fraud** - Since 2008, over 200 individuals have been convicted and sentenced to prison for mortgage fraud crimes committed in Nevada. Many of these individuals worked in the industry as lawyers, real estate agents and brokers, loan officers and others. In Fiscal Year 2014, 11 individuals were charged and 38 individuals were convicted of federal mortgage fraud crimes in Nevada. Twenty-four persons were sentenced to a period of imprisonment, and 12 individuals were sentenced to over three years in prison. In Fiscal Year 2014, the District of Nevada opened 3 new mortgage fraud investigations.

### ANSWERS TO NEVADA U.S. ATTORNEY'S OFFICE POP QUIZ

How many U.S. Attorneys have served in the District of Nevada? - 39

Who was the first U.S. Attorney for the District of Nevada? -Robert Clarke

Which U.S. Attorney was murdered in office? - Charles Jones

Which U.S. Attorney owned a ranch in Reno? - Sardis Summerfield

Which Nevada U.S. Attorney also served as Governor for Nevada? - E.P. Carville



## PROGRAM DEVELOPMENTS & HIGHLIGHTS

**Criminal Health Care Fraud** - In Fiscal Year 2014, two individuals were charged and four individuals were convicted of criminal health care fraud crimes. In Fiscal Year 2014, the District of Nevada opened seven new criminal health care fraud investigations.

**Firearm Crime/Violent Crime** - In Fiscal Year 2014, 115 individuals were charged and 119 individuals were convicted of federal firearm crimes in Nevada, including using or carrying a firearm during a drug trafficking crime or crime of violence and felon in possession of a firearm. Almost all (114) of the individuals sentenced during Fiscal Year 2014 were sentenced to a period of imprisonment, and 88 individuals were sentenced to over three years in prison. In Fiscal Year 2014, the District of Nevada opened 102 new firearm crime investigations. Violent crimes have generally decreased in southern Nevada since 2005, but armed robberies of commercial establishments have increased, as have homicides with handguns. In an effort to deal with the increase in violent robberies, our Project Safe Neighborhoods (PSN) program in 2010 began to focus on the federal prosecution of persons committing armed robberies of commercial establishments. Since 2013, we have also begun prosecuting federally persons who commit particularly heinous carjackings.



**Child Exploitation (Project Safe Childhood)** - Project Safe Childhood (PSC), is the nationwide initiative launched in May 2006 by the Department of Justice to combat the growing epidemic of child sexual exploitation and abuse. Over the last four fiscal years, 223 persons have been charged with federal child exploitation offenses in Nevada. In Fiscal Year 2014, 62 individuals were charged and 52 individuals were convicted of federal child exploitation crimes, including possession and receipt of child pornography, soliciting a minor online for sex, traveling across state lines, and enticing minors to engage in sexual conduct. Fifty of the individuals sentenced during Fiscal Year 2014 were sentenced to a period of imprisonment, and 35 individuals were sentenced to over five years in prison. In Fiscal Year 2014, the District of Nevada opened 86 new child exploitation investigations. We have also participated in the fight against convicted sex offenders, and prosecute non-compliant sex offenders, through the tools provided in the Adam Walsh Child Protection and Safety Act of 2006. That Act made it a federal offense for sex offenders to fail to register or update their registration and enhanced the penalties for various federal violent crimes and sexual offenses against children. A six-month “arrest surge” of child predators, Operation Protect the Powerless, occurred from June 1 to Dec. 31, 2014, and resulted in the prosecution and conviction of 219 persons, the execution of 100 search warrants, and the recovery of over 500,000 images and 2,700 videos of child rape and pornography. The surge also resulted in prosecutions are being handled jointly by the U.S. Attorney’s Office and Clark County District Attorney’s Office, and resulted in distinct charges in federal and state court. In September 2014, in the Reno area, the U.S. Attorney’s Office helped to coordinate Operation Street Angel, which was scheduled to coincide with a large motorcycle rally and targeted customers who were seeking minors for sex. The Operation resulted in the arrest of several persons.





## PROGRAM DEVELOPMENTS & HIGHLIGHTS

**Immigration/Southwest Border** - In Fiscal Year 2014, 102 individuals were charged and 95 individuals were convicted of immigration crimes, which includes unlawful reentry by a previously removed alien, harboring aliens, and marriage fraud for the purpose of evading immigration laws. Seventy-one of the individuals sentenced for immigration crimes during Fiscal Year 2014 were sentenced to a period of imprisonment, and 20 individuals were sentenced to over three years in prison. In Fiscal Year 2014, the District of Nevada opened 102 new criminal immigration investigations.

**Drug Trafficking** - In Fiscal Year 2014, 119 individuals were charged and 115 individuals were convicted of federal drug crimes in Nevada, including drug trafficking and possession with the intent to distribute drugs. Most of the individuals convicted of drug crimes were sentenced to a period of imprisonment. In Fiscal Year 2014, the District of Nevada opened investigations against 217 individuals for possible drug offenses.

The High Intensity Drug Trafficking Areas (HIDTA) program, created by Congress with the Anti-Drug Abuse Act of 1988, provides assistance to federal, state, local, and tribal law enforcement agencies operating in areas determined to be critical drug-trafficking regions of the United States. Many of the drug cases we prosecute are referred to the office through the Nevada HIDTA program, which became operational in 2001. Federal, state and local law enforcement agencies collaborate in the HIDTA program, which operates throughout the state of Nevada.

The Centers for Disease Control and Prevention has classified prescription drug abuse as an epidemic. The prosecution of health professionals who are involved in the unlawful diversion of prescription drugs continues to be a priority for the Nevada U.S. Attorney's Office. Doctors and pharmacists violate the Controlled Substances Act when they distribute prescription drugs without a legitimate medical purpose and outside the usual course of professional practice. Pharmacists who fail to comply with the strict record-keeping requirements under the Controlled Substances Act will also be subject to vigorous enforcement of the civil penalty provisions of the Controlled Substances Act. Over the last few years, we have prosecuted five doctors and a pharmacist for the unlawful distribution of prescription drugs and have more in the works. In 2014, Victor Bruce, M.D. was sentenced to 46 months in prison for writing prescriptions for oxycodone for persons he did not see or treat; Vinay Bararia, M.D. was sentenced to 44 months in prison for selling hydrocodone and oxycodone to an undercover DEA agent in a hospital parking lot; Mahesh Kuthuru, M.D., was charged with unlawfully selling highly addictive prescription painkillers to persons who did not have a medical necessity for them; and Kent Swaine, M.D. pleaded guilty to obtaining controlled substances by fraud for prescribing and obtaining controlled substances at local pharmacies in the name of a deceased patient. We also realize that this is a problem which cannot be addressed through law enforcement action alone and we have been working with community partners in three other major areas, education, monitoring and medication disposal, to prevent and reduce prescription drug abuse.



## PROGRAM DEVELOPMENTS & HIGHLIGHTS

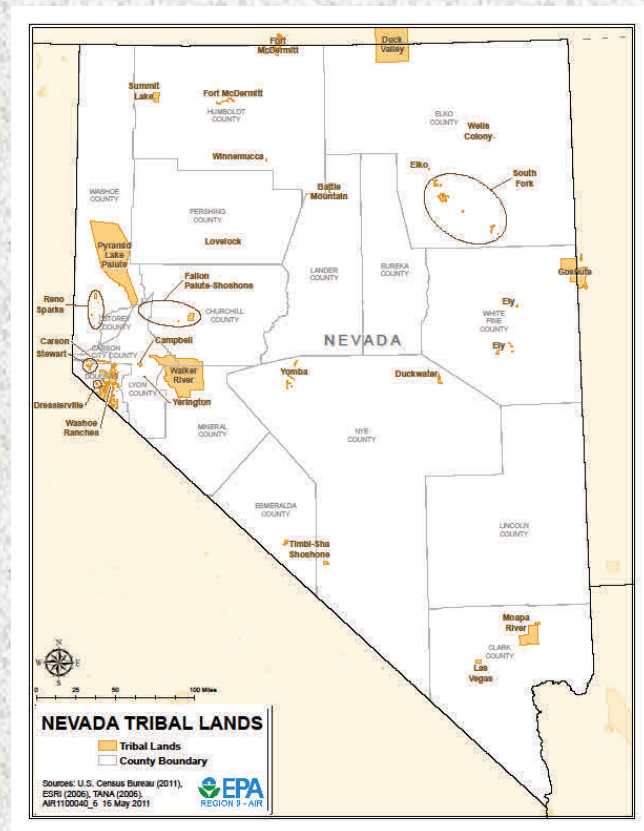
**Indian Country** - Nevada has 26 federally recognized Indian tribes and 31 reservations and colonies. Most are located in the northern part of the state. (See map below.) Federal courts have criminal jurisdiction over felony cases arising in Indian Country and over misdemeanors where the defendant is non-Indian. Tribal courts have, with few exceptions, criminal jurisdiction over misdemeanors where both the defendant and the victim are Indian. In Fiscal Year 2014, 11 individuals were convicted of violent crimes on Nevada Indian Country lands, including murder and assault. Nine of those individuals were sentenced to a period of imprisonment. Additionally, there were five more individuals convicted of non-violent offenses on Nevada Indian Country lands during Fiscal Year 2014.

During July 2014, U.S. Attorney Bogden, Criminal Chief Eric Johnson, Reno Branch Office Chief Sue Fahami, and federal law enforcement representatives from the BIA, DEA, and FBI, visited each Nevada Indian tribe and reservation, and held meetings with their leaders and representatives. U.S. Attorney Bogden has been conducting these tribal lands consultation tours on an annual basis for the last several years, and it is part of a national effort to establish regular and meaningful consultation and collaboration with tribal officials. The visits included discussions about tribal issues, investigations, victim advocacy, training, outreach, public safety, and violence against women.

In addition to the tribal lands consultation tour, the Nevada U.S. Attorney's Office held its 18th Annual Statewide Native American Conference from August 25 through August 27, 2014, in Reno. The conference was entitled "Working Together for Hope, Healing and Justice," and focused on the protection of children. The agenda included classes and speakers on a wide variety of subjects such as crisis response, bullying, child and youth sex abuse, interviewing child victims, child trafficking, Indian Country jurisdiction, and case studies in Indian Country. Attendees included members of tribal government, tribal law enforcement, social workers, court personnel, and others. For more information on the U.S. Attorney's work with Nevada Indian tribes, visit

[http://www.justice.gov/usao/nv/programs\\_tribal.html](http://www.justice.gov/usao/nv/programs_tribal.html).

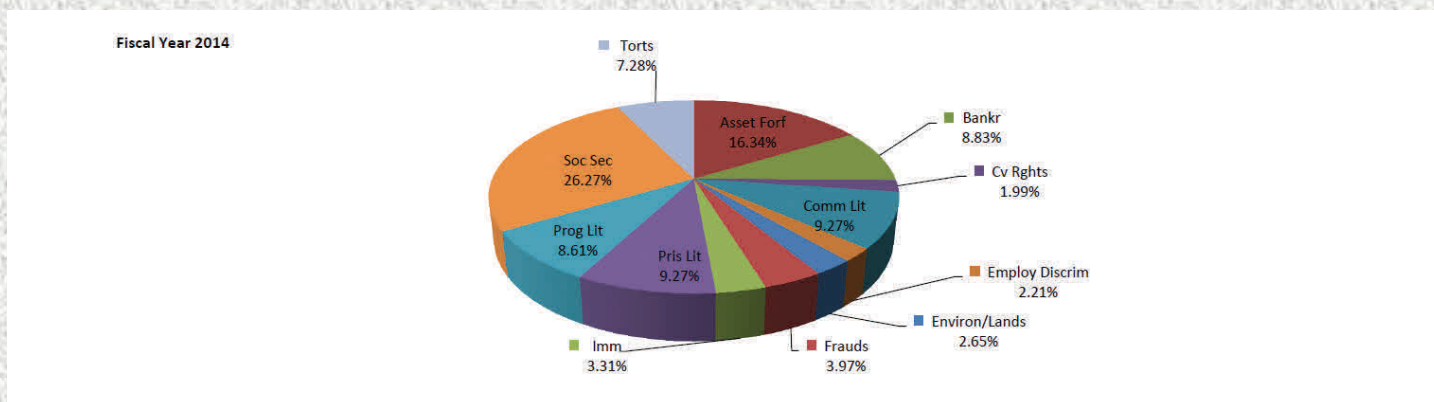
Captain Buck and Shoshone Indians, East Humboldt Mountains, Nevada, 1868





## THE CIVIL DIVISION

The Nevada U.S. Attorney's Office Civil Division handles defensive and affirmative litigation. Each year, lawsuits are filed against the government as a result of its policies, laws, operations, and entitlement programs, as well as law enforcement initiatives, military actions, and counterterrorism efforts. The Civil Division defends the United States in these actions and also files suits on behalf of the United States to recoup money lost through fraud, loan defaults, and the abuse of federal funds. Annually, millions of dollars are returned to the U.S. Treasury, Medicare, and other programs through the Civil Division. During federal fiscal year 2014, the Civil Division filed or responded to 453 cases, a 3.4 percent increase over the prior fiscal year. The civil division obtained judgments in favor of the United States in 156 cases, and reached settlements in another 103 cases. Below is a graph showing the type of civil cases we filed or responded to by "cause of action" or type.



Following are summaries of some of the Civil Division's case successes during 2014.

**United States v. Miners Contracting, et al.** - The United States sued Miners Contracting and others for negligently starting a fire on public lands in 2008 near Dayton, Nevada. Miners Contracting was performing road construction for the Silver Reserve mining company, and one of its employees, who was driving an excavator, knocked over an electrical pole and the downed wires started a fire. The fire caused damage to over 450 acres of public lands. Investigators obtained evidence showing the mining company did not exercise due care, and in April 2013, the U.S. Attorney's Office filed a federal lawsuit on behalf of the U.S. Department of Interior. Following limited litigation, the case was settled in July 2014 for \$250,000.

**Concierge Compounding Settlement** - Concierge Compounding Pharmacy is a Las Vegas-area pharmacy that compounds prescription preparations and ships them nationwide. An investigation by the U.S. Department of Defense health care program, Tricare, determined that Concierge had been shipping drugs to Tricare beneficiaries in states where it was not licensed to dispense. Concierge agreed to settle Tricare's claims by reimbursing the program \$273,500, and agreed to ship drugs only to the states in which it was licensed.

**Green Valley Drugs Settlement** - The DEA conducted an investigation of a Las Vegas compounding pharmacy, FVS Holdings, d/b/a Green Valley Drugs, and determined that the pharmacy had engaged in the unlawful manufacturing of drugs because it was not registered with the DEA for that purpose. The pharmacy had shipped its products to doctors and hospitals in several states without filling a patient-specific prescription, which also violated DEA regulations. The pharmacy closed its operations, and the owners agreed to pay a \$30,000 fine to the United States for its past violations.



## CIVIL DIVISION MONETARY RECOVERIES

The Financial Litigation Unit (FLU) operates within the Civil Division and has responsibility for collecting monies owed the government in the form of fines, restitution, and civil judgments. These monies are then distributed directly to victims and to state funds which re-distribute them to victim programs. Typically, the largest civil collections are from affirmative civil enforcement cases, in which the United States recovers government money lost to fraud or other misconduct or collects fines imposed on individuals and/or corporations for violations of federal health, safety, civil rights or environmental laws. In addition, civil debts are collected on behalf of several federal agencies, including the U.S. Department of Housing and Urban Development, Health and Human Services, Internal Revenue Service, Small Business Administration and Department of Education. During 2014, the District of Nevada's FLU collected \$23 million in criminal and civil cases, which far exceeds the total appropriated budget for our office.

Some of our 2014 collection successes include the collection of over \$800,000 in restitution from a Las Vegas insurance adjuster who was convicted of wire fraud and sentenced to 41 months in prison; the collection of almost \$1 million from a Montana man who was convicted of conspiracy, fraud and money laundering and sentenced to 25 years in prison, and the collection of \$750,000 in fines from a group of Chinese gamblers who pleaded guilty to operating an illegal bookmaking operation at Caesar's Palace in Las Vegas during the 2014 World Cup Soccer matches.

Significant monetary recoveries are also achieved through the office's asset forfeiture work. Some of the most significant matters from 2014 are noted below.

Joshua Riley and his codefendants pleaded guilty to trafficking in analogue controlled substances, which are drugs designed to be chemically similar to banned controlled substances such as marijuana. An order was entered in connection with their guilty pleas requiring forfeiture of \$1.5 million in property used in their operation, including gold and silver metals, cash, and real estate.

Victor and Ericka Garcia plead guilty to defrauding the Nevada Department of Employment and Rehabilitation. A parcel of real estate representing the proceeds of their crime, valued at \$200,000, was seized and civilly forfeited after defeating the claim of a relative who asserted an interest in the property unconnected to the criminal activity.

Greg Gariti and Jason Baumgarten were convicted of conducting an illegal bookmaking operation. A total of \$671,000 in cash was seized from their operation and forfeited to the government.

Gregory Ruiz and three others pled guilty to a conspiracy to distribute controlled substances. Forfeiture orders were entered forfeiting to the government \$383,000 in real and personal property connected to their offenses.



## THE APPELLATE DIVISION

### Ninth Circuit Court of Appeals Statistics

Ninth Circuit Briefs Filed:	80
Ninth Circuit Dispositions:	83 (77 favorable; 6 adverse)
Published Decisions:	10 (4 adverse)
Cases Argued in Ninth Circuit:	18

### U.S. District Court Statistics

Responses to Motions To Vacate, Set Aside or Correct Sentence:	46
Decisions on Motions To Vacate, Set Aside or Correct Sentence:	57 (1 adverse)

## APPELLATE DECISIONS OF SIGNIFICANCE

*United States v. Chandler*, 743 F.3d 648 (9th Cir. 2014): In a published opinion, the Ninth Circuit affirmed the 235-month sentence the district court imposed after finding the defendant qualified as an Armed Career Criminal under 18 U.S.C. § 924(e)(1). The court agreed with the government that, under the court’s precedent, the defendant’s prior convictions for second degree kidnapping and conspiracy to commit robbery qualified as “violent felonies” under the statute.

*United States v. Ezeta*, 752 F.3d 1182 (9th Cir. 2014): The grand jury indicted the defendant, a counselor and professor at a community college, for financial aid fraud after he “assisted” students in obtaining federal financial aid by falsifying and electronically submitting falsified financial aid application forms. The district court dismissed the indictment, and the government appealed. In a published opinion, the Ninth Circuit reversed the district court, agreeing with the government’s position that the statute criminalizing financial aid fraud does not require that a defendant exercise personal dominion or control over the federally insured funds.

*United States v. Bickle*, 566 Fed.Appx. 589 (9th Cir. Mar. 31, 2014): The Ninth Circuit affirmed a 210-month sentence the district court imposed on the defendant, a former Navy SEAL who was convicted of thirteen counts related to illegally importing and selling military firearms. The court of appeals agreed with the government that the district court properly considered all the relevant information in determining the appropriate sentence.

*United States v. Richardson*, 754 F.3d 1143 (9th Cir. 2014): The Defendant, who had been convicted years earlier in state court of committing lewd and lascivious acts with a child, was convicted in federal court for failing to register as a sex offender in violation of 42 U.S.C.A. § 16913(d). He appealed, raising numerous constitutional challenges to the federal statute. The court of appeals agreed with the government rejecting the defendant’s non-delegation doctrine, Tenth Amendment, Commerce Clause, and Ex Post Facto Clause challenges to the federal law.



## APPELLATE DECISIONS OF SIGNIFICANCE

*United States v. Stewart*, 761 F.3d 993 (9th Cir. 2014): In a published opinion, the Ninth Circuit affirmed the defendant's 120-month sentence, which was based in part on the district court's determination that the defendant qualified as a career offender. Agreeing with the government, the court of appeals held that the Sentencing Commission did not exceed scope of its authority by directing that a defendant's prior state court convictions can serve as predicate offenses for career offender status, and further held that the 120-month sentence was not substantively unreasonable.

*United States v. Mumphrey*, 584 Fed.Appx. 784 (9th Cir. Sept. 12, 2014): The Ninth Circuit affirmed the bank robbery conviction and 210-month prison sentence, agreeing with the government that the district court properly permitted testimony from two law enforcement officers who identified the defendant's voice on a monitored, recorded phone call the co-defendant made after he was arrested, and interpreted the meaning of the recorded conversation for the jury.

*United States v. Brandon*, Nos. 13-10281, 13-10282, 13-10283, 2014 WL 6984445

(9th Cir. Dec. 11, 2014): The Ninth Circuit affirmed convictions for mail fraud, wire fraud, bank fraud, and conspiracy, and a 168-month sentence, imposed against a defendant who engaged in a massive mortgage fraud scheme.

## CONFERENCES & TRAINING

The Nevada U.S. Attorney's Office sponsored, organized and/or participated in the below training events during 2014.

February 2014 Financial investigations seminar, Las Vegas

April 2014 - International Conference on Transnational Organized Crime and Terrorism, Las Vegas

April 2014 - Nevada Narcotics Officers Association Conference, Las Vegas

April 2014 - Asian American Group Law Enforcement Night Out

May 2014 - National Latino Peace Officers Conference, Las Vegas

May 2014 - National Identity Theft and Fraud Working Group

June 2014 - Nevada Cybercrime Symposiums, Reno and Las Vegas

August 2014 - Indian Country Conference, Reno

September 2014 - Southern Nevada Human Trafficking Task Force Annual Conference, Las Vegas

December 2014 - Prescription Drug Summit, Las Vegas



## USAO STAFF 2014

Below is a list of USAO staff that made all of our significant achievements a reality in 2014

Adam Flake	Denise Cope	Mayumi Coffman	Stephanie Overton
Alexandra Michael	Doriayn Olivarra	Megan Rachow	Steve Myhre
Amber Craig	Elizabeth White	Melissa Dunlap	Sue Fahami
Amy Ragsdale	Ellenrose Jarmolowich	Melissa Hubbard	Sue Knight
Andrew Duncan	Eric Johnson	Michael Humphreys	Susan Cushman
Angel Beltran	Estevan Enriquez	Michael Large	Tim Vasquez
Ashlin Brown	Eunice Jones	Michael West	Tina Schweitzer
Ashlee Nimmo	Glenda Newby	Michelle Lewis	Troy Flake
Aylin Alexander	Greg Addington	Mireya Black	William Foley
Blaine Welsh	Gregg Damm	Nadia Janjua-Ahmed	William Reed
Bobby Luben	Heidi Skillin	Natalie Collins	
Brian Pugh	Holly Vance	Nicholas Dickinson	
Brian Sullivan	James Keller	Nicole Reitz	
Burt Carle	Jaye Willis	Norma Vizcarra	
Camille Damm	Joanie Silvershield	Pam Martin	
Carin Miles	Johanna Mallari	Pamela Mrenak	
Carla Higginbotham	Josephine Sommer	Pat Walsh	
Carol Farago	Judy Farmer	Patrick Rose	
Christie Sequeira	Judy Godfrey	Patrick Shelton	
Christina Brown	Justin Pingel	Peter Levitt	
Cleo Bennett	Kate Newman	Phillip Smith	
Crane Pomerantz	Kathy Phillips	Priscilla Ortiz	
Cristina Silva	Katie Cowley	Ray Southwick	
Dan Hollingsworth	Kelly Muranaka	Robert Bork	
Dan Schiess	Kim Bush	Robert Knief	
Daniel Bogden	Kimberly Frayn	Roger Wenthe	
Daniel Cowhig	Krystal Gallagher	Roger Yang	
Darlene Beltran	Lisa Cartier Giroux	Ron Rachow	
Darlene Ruckard	Mara Woo	Sarah Griswold	
Debbie Salas	Mary Ann King	Sarah Lauer-Overby	
Debbie Waite	Mary Booker	Seth Mecum	

## IN CLOSING....

These individuals work to protect the rights of every citizen of our great country, and we applaud each of them for his or her commitment to excellence and unselfish dedication in their efforts to achieve justice.





Current home of the United States Attorney's Headquarters Office in Las Vegas—the Lloyd George United States Courthouse



Future home of the United States Attorney's Office in Las Vegas—the Federal Justice Tower



United States Attorney's Office, Reno

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